Sound as our finances are, the days of surpluses, appear to be over. We have to reckon with inelastic sources of revenue and growing needs with the result that we are obliged to make inroads into our reserves. The necessary expenditure on the nation-building services such as "Education," "Medical," "Public Health," "Public Works," etc., cannot be stinted in the interest of the people and we have to broad-base our tax resources and find out the money if we are not to starve the nation. Compared to taxation levels elsewhere, ours is perhaps the lowest and the amenities secured to our people are comparable to those anywhere in India and we cannot reasonably fight shy of any equitable tax, essential in the interest of the people at large.

*Cranganur.*—The chronic deficits of Cranganur had given place to small surpluses during the last two years—the years 1119 and 1120 having yielded small surpluses of Re. 0·38 lakh and Rs. 253 respectively due to the inflantionary receipts of war. According to the Revised Estimates we anticipate a surplus of Re. 0·20 lakh against Re. 0·45 lakh estimated in the bubget, the Revised Estimates of revenue and expenditure being Rs. 4·22 lakhs and Rs. 4·02 lakhs while the original budget estimates expected a revenue of Rs. 4·05 lakhs against an expenditure of Rs. 3·60 lakhs.

For 1122 we budget for a revenue of Rs. 4·02 lakhs and propose an expenditure of Rs. 4·58 lakhs resulting in a deficit of Re. 0·56 lakh. As in the case of the State the inflationary revenue is giving way while the expenditure is on the increase. The problem of balancing the Cranganur Budget still remains a baffling one.

*Conclusion.*—I have now rendered to you a short account of the financial position of the State. I apprehended last year that conditions may soon change causing great fall in our revenues without a corresponding reduction in expenditure. This has come about all too soon as I have explained above.

I also ventured to suggest last year as follows.—

"Though it is hazardous to prophesy how far the fall in revenue will be offset by the fall in expenditure the possibilities are that the fall in revenue will be considerable and it may be advisable to take stock of the situation and adopt suitable measures in time to see that the essential services are not starved."

The budget before you is shorn of all avoidable items of expenditure. It provides only for the minimum requirements of the services. In making provision for adequate funds for post-war reconstruction measures we have been faced with a deficit of Rs. 56·81 lakhs. We had therefore to indent on the Revenue Reserve Fund to the extent of Rs. 25 lakhs which has reduced the deficit to Rs. 31·81 lakhs. As I have shown, this deficit is solely due to the adoption of the necessary measures for promoting the welfare of our people and raising their standard of living and in this struggle some sacrifice is demanded of us. I am sure that the House would fully agree with me that every endeavour has to be made for improving our revenues so that we may meet in full the post-war demands for improving the prosperity of the people. The only equitable source I can think of is the introduction of the "Sales Tax" as has been effected in British India. A stepping up of Income-tax rates may also render some help in this direction. These small sacrifices from us are worthy of the cause as they aim at ushering in a brighter and happier "Cochin" and I hope the House will heartily respond to those demands of the Government and thus ensure the greater happiness of the people whose welfare is our prime consideration.

## "DEMANDS FOR SUPPLEMENTARY GRANTS"

### 2 A—Agriculture—5 (c)—Other Charges

**Mr. Parambi Lonappen** *(Minister for Public Health)*: Sir, I rise to move for an additional allotment of Rs. 870 under 2-A-5 (c) Other charges. The gardens attached to the Cochin House, New Delhi, have been recently taken charge of by the Agricultural Department. There is no provision in the current year's budget towards the maintenance charges of this garden. The Cochin House was handed back to the State only during this year, and hence no provision could be made when the current year's budget was framed. An expenditure of Rs. 870 is required for the purchase of manure, implements, etc., for the maintenance of the garden. An additional allotment of Rs. 870 is necessary under the above head. I request that the grant may be made.

*Demand put and carried*

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